

14.1 The focus of human resources development in the Reserve Bank has been changing in tune with the rapidly evolving external environment. A growing emphasis is being placed on facilitating performance improvement and personal growth within the overall institutional goals whereby personnel policies and practices are being increasingly integrated into the corporate strategy. A major challenge has been the building up of appropriate skills in an environment that fosters creativity, learning and efficiency. During 2003-04, the Reserve Bank continued with its efforts to upgrade its human resources to face the challenges arising out of globalisation and advances in technology. Concomitant measures were initiated to ensure transparency in operations and to improve customer service.

14.2 The goal of human resource (HR) initiatives in the Reserve Bank is to put in place robust human resource management systems that enhance efficiency and create an enabling work environment, which encourages individual responsibility. The endeavour is to foster an atmosphere of trust and integrity so as to keep the staff motivated and committed by adopting transparent personnel policies and keeping communication channels open by providing redressal windows.

14.3 These initiatives have assumed a new significance in the context of the Optional Early Retirement Scheme (OERS), whereby about 29 per cent of officers opted for voluntary retirement. In the post-OERS scenario, personnel policies are being reviewed and the existing initiatives are being reoriented, keeping in view the need for job realignment and consolidation. The new focus of HR policy in the Reserve Bank is essentially to create an environment which enhances efficiency and empowers the staff to draw out their latent potential. The emphasis of HR policies is on motivation, job involvement and commitment to the institution.

14.4 This Section reviews the efforts of the Reserve Bank directed towards upgrading human resources by imparting training within and outside India. It presents the employee profile within the ambit of overall industrial relations. The Section also reviews the various measures initiated to improve the quality of customer service and the interface with the general public, including information dissemination and data

base management. The Section also presents an overview of the meetings of the Central Board and its Committee, appointment/retirement of executives and visits of important Committees and foreign dignitaries to the Reserve Bank.

TRAINING AND SKILLS ENHANCEMENT

14.5 Three training colleges of the Reserve Bank, viz., the Bankers' Training College (BTC), Mumbai, the Reserve Bank Staff College (RBSC), Chennai and the College of Agricultural Banking (CAB), Pune cater to the training needs of the officers of the Reserve Bank and the banking industry. The Bankers' Training College was established with a view to training the personnel of commercial banks and other financial institutions in India. The College caters mainly to the training requirements of middle and senior level officers. The RBSC was established to impart training to the Reserve Bank's own officers in junior and middle management cadre and occasionally to officers in the senior management cadre. The College of Agricultural Banking was originally set up with a focus on rural and co-operative credit. It provides training to senior and middle level officers from the financial sector as well as Government institutions. In recent years, the CAB has diversified into areas relating to non-banking financial companies, human resource management and information technology. Zonal Training Centres (ZTCs) focus exclusively on Class III and IV staff of the Reserve Bank (Table 14.1).

Bankers Training College, Mumbai

14.6 The BTC is a premier training institution in the field of banking. It has imparted high quality training to a large pool of professionals from the financial sector. The important programmes conducted by the College during the year included integrated risk management, money laundering, market risk, foreign exchange transactions for concurrent internal auditors and risk based internal audit. The endeavour of the BTC is to position itself as a training institute for senior bankers and to provide a forum for top executives of the financial sector to exchange views and ideas. The College extended faculty support to several other training institutions such as Syndicate Bank Training College, Manipal; Jawaharlal Nehru Institute of Development Banking (JNIDB), Hyderabad; Council of Scientific and



Table 14.1: Reserve Bank Training Establishments - Programmes Conducted

Establishment	2003-04		2002-03		2001-02		2000-01		1999-2000	
	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants
1	2	3	4	5	6	7	8	9	10	11
RBSC, Chennai	144	2,874	139	3,013	125	2,795	140	2,949	109	2,489
BTC, Mumbai	171	3,204	160	3,735	115	2,532	113	2,436	95	2,137
CAB, Pune	147 *	3,138 *	173	3,461	179	3,777	153	3,179	124	2,596
ZTCs (Class III)	187	3,652	153	2,991	131	2,576	100	2,013	86	1,660
ZTCs (Class IV)	56	958	31	535	26	470	17	313	16	312
Establishment	1998-99		1997-98		1996-97		1995-96		1994-95	
	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants
	12	13	14	15	16	17	18	19	20	21
RBSC, Chennai	131	3,055	132	3,030	119	2,542	108	2,061	111	2,207
BTC, Mumbai	77	1,818	91	2,102	91	1,957	101	1,987	118	2,429
CAB, Pune	126	2,940	109	1,982	124	2,231	97	2,013	113	2,429
ZTCs (Class III)	95	1,711	119	1,824	114	2,113	131	2,358	137	2,465
ZTCs (Class IV)	12	224	16	319	9	164	–	148	–	190

RBSC : Reserve Bank Staff College. BTC : Bankers Training College. CAB: College of Agricultural Banking. ZTCs: Zonal Training Centres.
* : Including 10 outstation programmes conducted at the initiative of Regional Offices involving 384 participants.

Industrial Research (CSIR), Hyderabad; NABARD Staff Training College, Lucknow; Punjab National Bank, Regional Staff College and the Stock Exchange, Mumbai. The College also conducted exclusive programmes for officers of the Indian Foreign Service, the National Institute for Finance Management, Foreign Exchange Dealers Association of India (FEDAI), Kotak Mahindra Bank and certain public sector banks. The BTC conducted eight programmes in collaboration with the Indian Institute of Bank Management, Guwahati at their campus. The College also brought out an interactive e-learning module on Internal Debt Management in the form of CD-Rom. Seventy-six foreign participants from Bhutan, Sri Lanka, Bangladesh, Nepal, Uganda and Tanzania attended 18 training programmes at the College. The College would be celebrating its Golden Jubilee in September 2004.

Reserve Bank Staff College, Chennai

14.7 The Reserve Bank Staff College (RBSC) caters primarily to the training and developmental needs of officers of the Reserve Bank. The College is expected to play a crucial role in upgrading the skills of officers to face the challenges of new tasks and introduction of new technologies. This has assumed an added significance in the context of the large retirements under the OERS. The thrust of the RBSC would continue to be on probationers and middle level management officers. Important activities of the RBSC during the year included introduction of specialised programme on derivatives, econometrics and programme on integrated treasury management. The college extended

faculty support to the training establishments of the Indian Bank, the Union Bank of India, the Anna Institute of Management, Chennai, University of Madras, the Indian Institute of Technology (IIT), Chennai and the Bharat Overseas Bank.

College of Agricultural Banking, Pune

14.8 The College of Agricultural Banking (CAB) was originally set up to impart training in agriculture and rural banking. As alluded to earlier, the College has diversified into other areas such as the non-banking financial sector, human resource management and information technology. In the near future, the college proposes to consolidate these activities. The College conducted off-site programmes for State level financial institutions and extended faculty support to the workshops conducted by the Reserve Bank for Directors of urban co-operative banks. The College also extended faculty support to the National Institute of Bank Management (NIBM), Pune; Vaikunth Mehta National Institute of Co-operative Management (VAMNICOM), Pune; and Cosmos Co-operative Bank Ltd., Pune. Under the funded project of the Department for International Development (DFID), UK "Towards Ensuring Sustainable Financial Services for the Poor through Improved Capacity Building" taken up in collaboration with the University of Reading, UK, the College designed and conducted a training programme for impacting the attitudes of branch managers towards lending to the poor. The College organised five training programmes for participants from Bhutan, Nepal, Maldives and Sri Lanka.



Zonal Training Centres

14.9 The Zonal Training Centres (ZTCs) at the four metropolitan centres, (*i.e.*, Mumbai, New Delhi, Kolkata and Chennai) cater exclusively to the training needs of the Reserve Bank's employees covering Class III and Class IV cadres. The programmes conducted by the ZTCs covered the functions and working of the Reserve Bank, computer applications and behavioural aspects. The programmes for Class III related to functional areas such as issue, banking and other specialised departments, besides behavioural training. The Class IV staff were generally exposed to the behavioural programmes. The ZTCs also conducted new programmes such as foreign exchange reserve management and integrated development for redeployed Class III staff. Apart from conducting regular retirement programmes for the Class III and IV staff, the ZTCs also extended faculty support to the retirement programmes organised by Regional Offices for employees who had opted for the Optional Early Retirement Scheme (OERS).

Deputation of officers for training in India and abroad

14.10 During 2003-04, 433 officers were deputed by the Reserve Bank to participate in training programmes, seminars and conferences organised by external management/banking institutions in India. The areas of training included human resources management, risk management, international banking and foreign trade, labour laws and micro finance.

14.11 The Reserve Bank deputed 242 officers to attend training courses, seminars, conferences and workshops conducted by banking and financial institutions and multilateral institutions in 24 countries abroad (Table 14.2). The areas of training covered, *inter alia*, banking supervision, derivatives, risk management, financial programming and policies, central bank accounting, monetary policy and operations, finance for agriculture, rural development, and macroeconomic management.

14.12 Four officers were selected in 2003-04 under the Golden Jubilee Scholarship Scheme for higher studies

Table 14.2: Number of Officers Trained in External Training Institutes in India and Abroad

Year	No. of Officers trained in India	No. of Officers trained abroad
1	2	3
1999 - 2000	399	164
2000 - 01	444	122
2001 - 02	355	137
2002 - 03	452	208
2003 - 04	433	242

abroad. Three of them are pursuing post-doctoral research work in areas such as option pricing from Carnegie Mellon University, US, modelling financial risks in India at the University of California, US and determination of interest and exchange rates at the Harvard University, US. One officer has enrolled at the University of Birmingham, UK for Master of Business Administration in banking and finance. Seventy-one officers have been deputed under the Scheme so far.

14.13 Seven officers availed of the Reserve Bank's higher studies scheme. One officer was deputed to the Bank for International Settlements (BIS), Basel under the Visiting Fellowship Scheme.

Training in Computer Technology

14.14 The Reserve Bank continued to provide incentives to staff members to acquire qualifications in the field of computers. The IT Training Plan implemented under the guidance of the Interactive Coordination Group (ICG) resulted in 98 per cent computer literacy in the Reserve Bank. In order to improve the skills of officers in the use of computers, 90 officers from Regional Offices and Central Office Departments were imparted training at institutions such as the National Institute of Bank Management (NIBM), Pune; the Management Development Institute (MDI), Gurgaon; the Xavier Labour Relations Institute (XLRI), Jamshedpur and the Institute for Development and Research in Banking Technology (IDRBT), Hyderabad.

Training Attachments and Interface Sessions

14.15 During 2003-04, 31 officials from four countries, *viz.*, Uganda, Indonesia, Tanzania and Bhutan were provided study attachments at the Reserve Bank's training establishments and Central Office Departments. The Training Division of the Reserve Bank arranged interface sessions with senior officers of the Central Office Departments for officers from the Naval Warfare College of Defence Management, MBA students from Mercer University, Georgia; students from McCombs School of Business, University of Texas, Afghan diplomats, officials from the Ministry of External Affairs, Government of India and participants from Iraq.

HUMAN RESOURCE INITIATIVES

14.16 The Reserve Bank has been nominating its officers on deputation/secondment/tour of duty to other organisations. The purpose of such deputations has been to widen the officers' perspective, provide them with alternative job experience and career opportunities and lend temporarily manpower support to other organisations. The Scheme was streamlined and

widened in scope in March 2000 and certain amendments were made with regard to recognition of service on deputation towards superannuation benefits.

Summer Placement

14.17 A total of 44 students were selected for summer placements in the Reserve Bank during the year. These summer interns were drawn from diverse disciplines such as commerce, management, science, engineering and IT. The interns were placed predominantly in the Reserve Bank's Central Office at Mumbai, while some were assigned to select Regional Offices, viz., Ahmedabad, Bangalore, Chennai, Kolkata and New Delhi. A number of students in specialised areas were also accommodated in different Departments of the Reserve Bank outside the Scheme.

Organisational Climate Survey

14.18 The Reserve Bank conducted an organisational climate survey in mid-2003 amongst the staff in Classes I and III to gauge the impact of the policy initiatives and welfare measures undertaken in the last few years on the satisfaction level of the employees. The Bank had conducted similar satisfaction surveys in 1996 and 1998. The survey received a response level of approximately 40 per cent which was more than twice the response level in the previous surveys. The analysis of the responses showed a general improvement in the satisfaction levels, especially in areas such as job satisfaction, infrastructure support and personnel welfare. As compared with previous surveys, there was

**Table 14.3: Results of Organisational
Climate Survey (NSF in per cent)**

Section	2003	1998	1996
1	2	3	4
I. Job Satisfaction	38.02	20.95	17.54
II. Organisation Culture	7.82	14.67	11.71
III. Infrastructure Support	49.30	6.70	2.61
IV. Training	18.31	-0.30	-5.90
V. PAS and Merit	-10.60	-26.13	-31.76
VI. Personnel Welfare	18.49	-11.38	-19.17

PAS : Performance Appraisal System.
NSF : Net Satisfaction Factor

an improvement in the overall satisfaction levels as measured in terms of Net Satisfaction Factor (NSF which represents the overall difference between those replying to the questions as satisfied and dissatisfied) which went up from (-) 0.63 per cent in 1996 to 3.93 per cent in 1998 and further to 16.36 per cent in 2003. It implied that approximately 58 per cent of the respondents were generally satisfied (Table 14.3). Certain areas of concern were also brought out by the survey such as performance appraisal and recognition of merit, organisational culture and internal communication.

Optional Early Retirement Scheme

14.19 The Reserve Bank introduced an Optional Early Retirement Scheme (OERS) on August 16, 2003 (Box XIV.1). The OERS was closed on December 31, 2003 and the last group of employees who opted for the scheme was relieved on March 31, 2004. A total

Box XIV.1

Optional Early Retirement Scheme

The Optional Early Retirement Scheme (OERS) was introduced in the Reserve Bank for a brief period, broadly on the framework of the voluntary retirement scheme (VRS) implemented by public sector undertakings. There were, however, some marked differences. VRS is typically an offer to a section of employees of an organisation to retire voluntarily from service by accepting monetary benefits before their normal date of superannuation. The compensation, in addition to the normal superannuation benefits, would depend on the years of service put in by the employee or the remaining period of service. In commercial organisations, voluntary retirement schemes were implemented for maintaining the cost effectiveness in a competitive environment. In India, VRS was introduced as a strategy to reduce the surplus/ redundant workforce in some of the central public sector undertakings in the early 1980s. The banking industry introduced VRS for its employees in 2000.

Technological upgradation undertaken by the Reserve Bank towards streamlining the work in general and its core function, i.e., currency management led to re-engineering

of processes in some areas. Therefore, a scheme analogous to-but not exactly identical to-a VRS model was deemed necessary. Accordingly, an Optional Early Retirement Scheme (OERS) was introduced on August 16, 2003 which closed on December 31, 2003. The scheme was opened to all full-time regular employees who had completed 25 years of service and attained 50 years of age as on August 1, 2003. Though the scheme was purely voluntary, the Reserve Bank reserved the right to accept or reject any application in keeping with administrative exigencies. The outgo of employees was also staggered in order to keep the flow of work smooth. Employees opting for the scheme were granted *ex gratia* amount equal to pay *plus* dearness allowance of two months for each year of service rendered or pay *plus* dearness allowance for the remaining months of service, whichever was less. In addition, they were entitled to all other normal retirement benefits. The scheme evoked a good response from the employees and 4,468 applications were accepted under the scheme. All of them were relieved from service.

Table 14.4: Employees who Opted for OERS

Centre	Class I		Class III		Class IV		Total	
	OERS	AS	OERS	AS	OERS	AS	OERS	AS
1	2	3	4	5	6	7	8	9
Ahmedabad	124	292	63	566	43	376	230	1,234
Bangalore	137	340	84	671	40	376	261	1,387
Bhopal	26	142	5	107	3	113	34	362
Bhubaneswar	18	142	14	238	12	238	44	618
Chandigarh	30	171	4	115	1	122	35	408
Chennai	230	559	180	937	64	698	474	2,194
Guwahati	25	169	17	343	22	262	64	774
Hyderabad	135	317	61	461	32	355	228	1,133
Jaipur	44	195	41	413	23	316	108	924
Jammu	9	62	0	35	3	51	12	148
Kanpur	73	239	49	618	64	523	186	1,380
Kolkata	105	511	218	1,602	144	1,030	467	3,143
Lucknow	32	146	20	245	6	139	58	530
Mumbai (including Central Office)	685	2,611	457	3,323	255	2,585	1,397	8,519
Nagpur	105	228	87	622	20	375	212	1,225
New Delhi	155	476	112	1,038	51	598	318	2,112
Pune	7	43	18	53	6	91	31	187
Patna	54	220	86	526	75	389	215	1,135
Thiruvananthapuram	64	225	23	357	7	259	94	841
Total	2,058	7,088	1,539	12,270	871	8,896	4,468	28,254

Memo Item:

Percentage of Employees who opted for OERS

29.0

12.5

9.8

15.8

AS : Actual Staff strength as on June 30, 2003.

OERS : Optional Early Retirement Scheme.

of 4,468 employees representing 15.8 per cent of the workforce as on June 30, 2003 availed of the Scheme (Table 14.4). The age profile of officers who opted for OERS indicates a concentration in the age group of 54 to 57 (Chart XIV.1).

14.20 An exit survey conducted among the officers who opted for OERS indicated that the predominant reasons for opting for OERS by officers were personal reasons and poor health conditions (Chart XIV.2).

Chart XIV.1 : Age Profile of Officers Opting for OERS

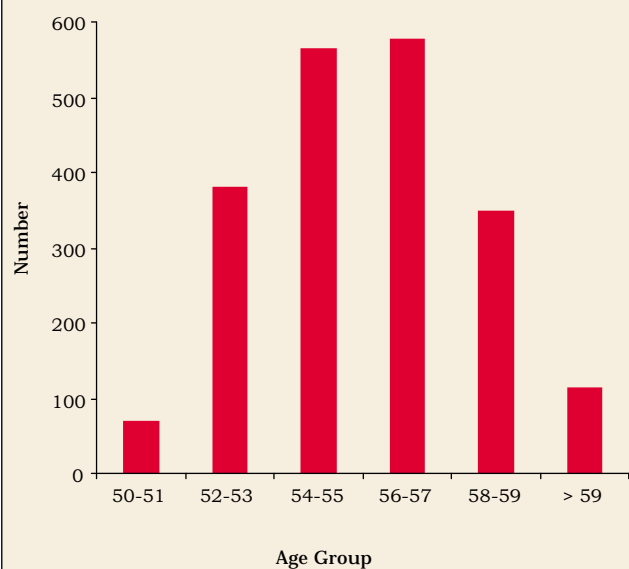
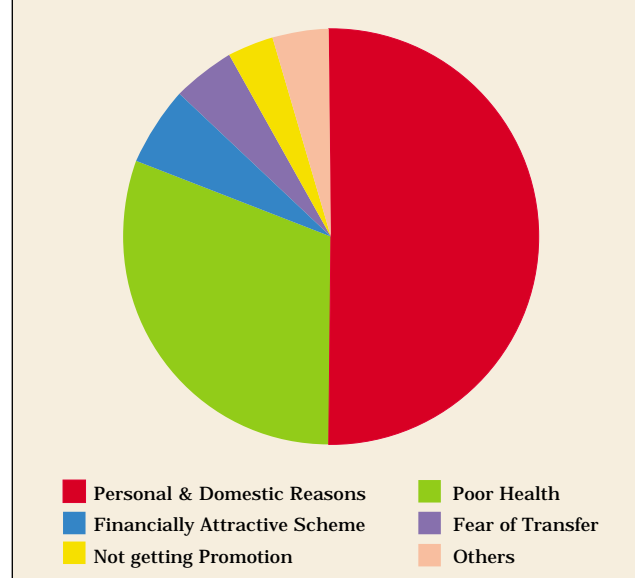


Chart XIV.2 : Reasons for Opting OERS by Officers



14.21 In order to overcome the challenges posed by the OERS in managing the work of the Reserve Bank, a Committee on Job Realignment/Job Consolidation was constituted under the Chairmanship of Shri A. V. Sardesai, Executive Director to conduct a quick study of the systems and procedures in various Departments. The recommendations of the Committee mainly related to simplification of existing work procedures in the Reserve Bank such as rationalisation of returns/statements, level jumping for quicker decision making. Other recommendations dealt with reorganisation/consolidation between departments. The Committee has submitted its report and its recommendations are under implementation.

Promotion of Hindi

14.22 The Reserve Bank continued to create awareness of Hindi among employees by way of intensifying training programmes in various fields under the Official Language Policy. Annual Programme on use of Hindi formulated by the Government of India was implemented successfully. The Committee of Parliament on Official Languages visited the Reserve Bank's Panaji office. Their observations were forwarded to all offices of the Reserve Bank for implementation. The recommendations of Hindi *Salahkar Samiti* of the Ministry of Finance, Government of India were implemented. Workshops were organised for senior officers in various Regional Offices. The Reserve Bank organised an all-India seminar for reorientation of Rajbhasha officers of the banks. The use of Hindi on computers has increased in the Reserve Bank and public sector banks.

14.23 The Reserve Bank continued to publish its major publications bilingually. The Bankers' Training College improved the quality of its quarterly magazine called "*Banking Chintan Anuchintan*". With a view to increasing the correspondence in Hindi, a collection of specimens, i.e., 'Bank Patrachar ke Namoono' was published during the year. The fifth edition of '*Banking Glossary (English-Hindi)*', published by the Reserve Bank was widely welcomed by the banking sector. The Hindi version of the publication entitled 'Functions and Working of Reserve Bank of India' was prepared and published by the Reserve Bank Staff Training College.

14.24 The Reserve Bank continued with its efforts for increasing the use of Hindi in public sector banks and all-India financial institutions. Their progress was reviewed in the quarterly meetings of the Official Language Implementation Committee. The Reserve

Bank organised Bilingual and Hindi Griha Patrika Competitions for public sector banks and financial institutions during the year. The Reserve Bank provided secretarial assistance to the Government of India, Ministry of Home Affairs in preparing results for the Indira Gandhi Official Language Award Scheme for the public sector banks and financial institutions.

Industrial Relations

14.25 Industrial relations in the Reserve Bank remained, by and large, peaceful during 2003-04. Meetings were held with the recognised Associations/Federation of employees and officers on wage revision and on various other matters.

Recruitment

14.26 During the year 2003, the Reserve Bank recruited 127 employees, of which 19 were from Scheduled Castes (SCs) and Scheduled Tribes (STs) categories, constituting 15.0 per cent of total recruitment (Table 14.5).

14.27 The total staff strength as on December 31, 2003 was 24,994 as compared with 28,884 a year ago. Of the total staff, 20.1 per cent belonged to Scheduled Castes and 8.1 belonged to Scheduled Tribes (Table 14.6).

14.28 During the calendar year 2003, the Reserve Bank's Liaison Officer for Scheduled Caste/Scheduled Tribe employees conducted inspection of reservation rosters maintained at three offices, viz., Patna, Guwahati and Central Office. Meetings between the Management and the representatives of the All India Reserve Bank Scheduled Castes/Scheduled Tribes and the Buddhist Federation were held on four occasions during the year to discuss issues relating to the implementation of reservation policy in the Reserve Bank. In accordance with the Central Government's policy, effective September 8, 1993 the Reserve Bank provided reservation to Other

**Table 14.5: Recruitment – 2003
(January to December)**

Category	Total Recruited	Of which		Percentage	
		SC	ST	SC	ST
1	2	3	4	5	6
Class I	68	5	2	7.35	2.94
Class III	22	3	2	13.63	9.09
Class IV					
(a) Sweepers	9	2	–	22.22	–
(b) Others	28	4	1	14.28	3.57
Total	127	14	5	11.02	3.93

Table 14.6: Total Staff Strength

Category	Category-wise Strength						Per cent to Total Strength	
	Total Strength		SC		ST		SC	ST
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002	December 31, 2003	
1	2	3	4	5	6	7	8	9
Class I	6,128	7,261	862	835	305	249	14.07	4.98
Class III	10,644	12,570	1,572	1,894	960	1,058	14.77	9.02
Class IV	8,222	9,053	2,594	2,618	761	778	31.55	9.26
Total	24,994	28,884	5,028	5,347	2,026	2,085	20.12	8.11

Backward Classes (OBCs). The representation of OBCs in the Reserve Bank as on December 31, 2003 stood at 660, constituting 2.6 per cent of total staff strength. Of these, 133 (2.2 per cent) were in Class I, 107(1.0 per cent) in Class III and 420(5.2 per cent) in Class IV.

14.29 The total strength of ex-servicemen in the Reserve Bank as at the end of December 2003 stood at 137 in Class I, 485 in Class III and 1,023 in Class IV. The total number of physically handicapped employees in Class I, Class III and IV cadres in the Reserve Bank stood at 60,273 and 151, respectively, as at the end of 2003.

14.30 Of the total staff strength of the Reserve Bank 24.5 per cent of the staff were in Class I, 42.6 per cent in Class III and the remaining 32.9 per cent in Class IV (Table 14.7).

14.31 The department-wise deployment of the staff in the Reserve Bank has remained broadly stable (Table 14.8) with adequate staff strength at various centres (Table 14.9).

Premises Department

14.32 The Premises Department has taken up the task of improving the ambience in work places and residential colonies, mechanisation and computerisation as well as upgradation and modernisation of the existing infrastructural facilities. The state-of-the-art systems, viz., modern communication systems (EPABXs) and backbone/structured cabling systems for Local Area Networks (LANs) have been provided as standard building service systems at all offices of the Reserve Bank. Closed Circuit TV (CCTV) systems have also been provided in all the offices of the Reserve Bank as a part of the security system. In addition, access control systems comprising proximity/biometric readers, smart cards, walkthroughs, turnstiles and X-Ray Baggage scanner at entry points to office buildings are being provided

Table 14.7: Category-wise Staff Strength - Actual (As on December 31, 2003)

Class	Actual Strength
1	2
Class I	
1. Senior Officers in Grade F	80
2. Senior Officers in Grade E	209
3. Senior Officers in Grade D	366
4. Officers in Grade C	850
5. Officers in Grade B	1,354
6. Officers in Grade A	2,684
7. Treasurer	17
8. Deputy Treasurer	75
9. Assistant Treasurer	493
Total Strength - Class I	6,128
Class III	
1. Clerk Gr. I	2,905
2. Clerk Gr. II	5,803
3. Stenographer	302
4. Typist	618
5. Teller	343
6. Class III (Others)	673
Total Strength - Class III	10,644
Class IV	
1. Peon	1,705
2. Mazdoor	2,172
3. Class IV (Others)	4,345
Total Strength - Class IV	8,222
Total Strength in the Reserve Bank	24,994

at all the offices. Micro processor based addressable fire/smoke alarm systems to act as an early warning system in case of fire/emergencies have been provided in the Bhopal, Chandigarh, Kolkata, two office buildings in Mumbai, Main Office Building, Nagpur and New Delhi. It would be extended to remaining offices shortly. Construction of officers' flats at Dadar/Parel, Mumbai has been completed. The office building at Lucknow and staff quarters for Class IV staff at Patna are under advanced stages of construction.

**HUMAN RESOURCES DEVELOPMENT AND
ORGANISATIONAL MATTERS**

**Table 14.8: Department-Wise Staff Strength
(As on December 31, 2003)**

Sr. No.	Department	Class I			Class III			Class IV			Grand Total (5+8+11)
		CO	RO	Total	CO	RO	Total	CO	RO	Total	
1	2	3	4	5	6	7	8	9	10	11	12
1.	Department of Administration and Personnel Management (DAPM)	116	301	417	136	614	750	70	1,051	1,121	2,288
2.	Department of Banking Operations and Development (DBOD)	108	70	178	109	164	273	78	128	206	657
3.	Department of Banking Supervision (DBS)	122	527	649	36	186	222	21	83	104	975
4.	Department of Currency Management (DCM)	42	1,073	1,115	35	3,305	3,340	19	2,812	2,831	7,286
5.	Department of Economic Analysis and Policy (DEAP)	192	31	223	218	37	255	89	19	108	586
6.	Department of Expenditure and Budgetary Control (DEBC)	49	167	216	105	582	687	38	89	127	1,030
7.	Department of External Investment and Operations (DEIO)	53	–	53	35	–	35	15	–	15	103
8.	Department of Statistical Analysis and Computer Services (DESACS)	136	15	151	167	58	225	86	12	98	474
9.	Department of Government and Bank Accounts (DGBA)	51	1,042	1,093	69	2,693	2,762	25	1,974	1,999	5,854
10.	Department of Information Technology (DIT)	61	12	73	21	3	24	16	1	17	114
11.	Department of Non-Banking Supervision (DNBS)	47	242	289	12	132	144	9	64	73	506
12.	Foreign Exchange Department (FED)	80	208	288	149	587	736	63	172	235	1,259
13.	Human Resources Development Department (HRDD)	21	7	28	24	8	32	9	3	12	72
	A. Bankers Training College, Mumbai	–	32	32	–	38	38	–	92	92	162
	B. Reserve Bank Staff College, Chennai	–	32	32	–	31	31	–	33	33	96
	C. Zonal Training Centers.	–	17	17	–	9	9	–	5	5	31
	D. College of Agricultural Banking, Pune	–	45	45	–	35	35	–	85	85	165
14.	Internal Debt Management Department (IDMD)	20	–	20	11	–	11	7	–	7	38
15.	Industrial and Export Credit Department (IECD)	32	–	32	26	–	26	11	–	11	69
16.	Inspection Department (ID)	45	66	111	20	21	41	8	5	13	165
17.	Legal Department (LD)	30	5	35	24	6	30	11	2	13	78
18.	Press Relations Division (PRD)	5	–	5	5	–	5	3	–	3	13
19.	Premises Department (PD)	49	179	228	53	358	411	50	704	754	1,393
20.	Rural Planning and Credit Department (RPCD)	68	234	302	44	150	194	40	56	96	592
21.	Secretary's Department	32	–	32	20	–	20	35	–	35	87
22.	Urban Banks Department (UBD)	50	343	393	25	158	183	40	47	87	663
23.	Rajbhasha Cells	–	26	26	–	48	48	–	7	7	81
24.	Deposit Insurance and Credit Guarantee Corporation	–	31	31	–	62	62	–	28	28	121
25.	Reserve Bank Services Board	14	–	14	15	–	15	7	–	7	36
	Total	1,423	4,705	6,128	1,359	9,285	10,644	750	7,472	8,222	24,994

- Note:** 1. The staff in the Monetary Policy Department (MPD) are not shown separately since they are drawn from five Departments, viz., DEAP, DESACS, DBOD, RPCD and DAPM. The staff strengths of MPD in different categories as on December 31, 2003 was 42 in Class I, 35 in Class III and 21 in Class IV.
2. CO - Central Office. RO - Regional Office.
3. The staff shown against DCM is inclusive of staff employed in Issue Departments. The staff shown against DGBA is inclusive of staff employed in Banking Departments.
4. The staff strength of Rajbhasha Department, Central Office is included in DAPM-Central Office.

**Table 14.9: Regional Office-wise Staff Strength
(As on December 31, 2003)**

Department/Office	Class I	Class III	Class IV
1	2	3	4
1. Ahmedabad	284	484	347
2. Bangalore	315	536	349
3. Belapur	94	234	280
4. Bhopal	130	94	110
5. Bhubaneswar	136	211	227
6. Chandigarh	168	99	122
7. Chennai	383	765	633
8. Guwahati	163	320	243
9. Hyderabad	220	383	350
10. Jaipur	192	361	293
11. Jammu	67	32	47
12. Kanpur	193	564	484
13. Kochi	25	85	49
14. Kolkata	508	1,376	957
15. Lucknow	134	232	133
16. Mumbai	686	1,296	1,340
17. Nagpur	185	566	348
18. New Delhi	386	897	542
19. Panaji, Goa	06	08	02
20. Patna	224	465	331
21. Pune(CAB and CRDC)	45	35	85
22. Thiruvananthapuram	161	242	200
Total	4,705	9,285	7,472

CAB : College of Agricultural Banking

CRDC : Central Records and Documentation Centre.

Inspection of Offices/Departments in the Reserve Bank

14.33 The Management Audit and Systems Inspection (MA&SI) within the Reserve Bank focuses on compliance with the prescribed systems and procedures and evaluates efficiency and economy in operations. Within this process, a risk-based strategy was evolved whereby high risk-prone areas in the functioning of offices were identified for intensive deployment of inspection resources. The performance of internal inspections and compliance is monitored by a Committee of Executive Directors under the overall supervision and guidance of the Inspection and Audit Sub-Committee (IASC) of the Central Board of the Reserve Bank. Information Systems Audits (IS Audits) have been conducted on a regular basis. During the period July 2003-June 2004, the Management Audit and Systems Inspection of 14 Regional Offices (ROs), 9 Central Office Departments (CODs), 3 Training Colleges and the Bharatiya Reserve Bank Note Mudran (Pvt.) Ltd. was conducted. The Information Systems Audit of 5 CODs and 6 ROs was conducted during the period from July 2003 to December 2003. In January 2004, the Information Systems Audit was integrated with the Management

Audit and Systems Inspection. Rating of Regional Offices/Regional Directors (RDs), which was introduced with effect from January 1, 2003 stabilised during the year. Accordingly, ratings of 16 ROs/RDs were finalised. The Inspection Guidelines (for inspecting officers), framed originally in 1992, were revised and put into effect in February 2004.

Library

14.34 The Central Library of the Reserve Bank, attached to the Department of Economic Analysis and Policy (DEAP), plays an important role in the storage, retrieval and dissemination of information. The Library has a comprehensive collection of books, journals, working papers, reports, CD-ROMs and other documents. The Library maintains electronic databases of all these documents (OPAC – Online Public Access Catalogue), which can be accessed through Intranet from the Central Office building and from all other offices of the Reserve Bank. Through its home page, the Library offers access to various online databases such as ECONLIT Online, Proquest Business Periodicals Database (covering 2,359 journals), India Business Insight Database and Elsevier Science Direct.

14.35 The Library database has 98,009 records which covers books and other documents. The Library receives 534 technical journals. The Library provides Current Awareness Services for all new documents including books as well as select articles from professional journals through Intranet on a regular basis. In addition, the Library also provides information services and support to training colleges and libraries in other offices of the Reserve Bank.

Dissemination Policy

14.36 During the year under review, the Reserve Bank continued to disseminate information through media, press releases, publications, notifications, frequently asked questions (FAQs) and advertisements. It organised meetings, workshops and seminars for interacting with special audiences. Information kiosks and intranet sites were also used for communicating with the general public visiting the Reserve Bank's premises.

14.37 The Reserve Bank's website continued to remain a major source of information. Over 7,963 users registered themselves for receiving information through e-mail. As many as 19,954 visitors used the personalised service to access information available on the Reserve Bank's website in the form they want.

During the year under review, the Reserve Bank issued 1,522 press releases and added 7.5 giga-bytes (GBs) of material to its website, taking the volume of information available on the website to 13 GBs. The e-mail helpdesks continued to furnish replies to the queries raised by the general public. For seeking clarifications relating to the policies of the Reserve Bank, members of the public also send their queries through e-mail/telephone/fax to the helpdesks set up in various operational departments/Regional Offices. The queries primarily relate to foreign exchange, banking, complaints against banks and Government securities.

14.38 The Reserve Bank introduced running serial numbering of the circulars issued by all its operational departments from January 2004 based on the recommendation of the Advisory Group on Financial Regulations (Chairperson: Smt. K.J. Udeshi). The continuous serial number was introduced in addition to the number given by the respective departments. It is expected to help recipients of the Reserve Bank circulars to track the circulars and approach one single point for replacement of the missing ones. In order to facilitate the tracking of the circulars, the Reserve Bank website (www.rbi.org.in) publishes an index of all the circulars issued during the year. The index is maintained serial number-wise and is regularly updated.

Customer Service Measures

14.39 Efforts were made to further improve customer service, especially in the areas of currency management, foreign exchange and banking matters. Publicity was given to the Customer Redressal Mechanism, which provides a forum to the public to seek redressal of their complaints against any department of the Reserve Bank. Advertisements were issued in newspapers informing members of the public that they could seek redressal of their grievances by contacting a designated officer in each regional office. Tele-banking was introduced with a view to providing better customer service to the Government departments. In addition, a new facility called the Easy Term Remote Terminal Facility was also introduced in most offices.

14.40 Coin dispenser and note counting machines were installed in Banking Halls in most offices for the benefit of customers. Various initiatives undertaken by the Reserve Bank based on the recommendations of the Committee on Procedures and Performance Audit on Public Services

(Chairman: Shri S.S. Tarapore) to improve the customer service in currency distribution have been detailed in Chapter XII. Some offices set up ATMs in collaboration with commercial banks within the Reserve Bank premises. Other customer-friendly measures introduced included installation of electronic moving display boards and notice boards at strategic points to display information of interest/relevance to customers. Complaint boxes were also placed in various premises of the Reserve Bank to receive customer complaints. The Citizens' Charters were displayed in front of the operational departments for information of the public.

14.41 The Kolkata office of the Reserve Bank conducted an on-the-spot customer survey to gauge the quality of service being rendered by its cash counter staff. The survey revealed a marked improvement in the quality of service. The Bhubaneswar office of the Reserve Bank declared 'customer delight' as its mission. To achieve this, the office established performance benchmarks for each department with a focus on reducing the response time and increasing the quality of service rendered to customers. It also arranged a two-day workshop on 'Communication and Creativity to Improve Productivity and Customer Service' for a batch of 20 officers. The regional office at Hyderabad provided a computer in the Banking Hall to enable members of the public to offer suggestions on improving customer service and for ensuring quick redressal of their grievances.

14.42 The Reserve Bank prepared two pamphlets containing information about foreign exchange facilities available to residents and non-residents for the benefit of the general public. Pamphlets were distributed to all authorised distributors for display at their branches. The copies of the pamphlets were also sent to institutions like Airport Authority of India, Indian Railways, Department of Tourism and several five star hotels. These were updated from time to time to incorporate the latest policy announcements affecting resident and non-resident Indians. Similar pamphlets were also prepared for 8 per cent Savings Bonds for distribution through regional offices.

Department of Economic Analysis and Policy

14.43 The Reserve Bank continued with its efforts of providing analytical inputs on various facets of the Indian economy for the purpose of policy formulation. In order to accomplish this objective, the Department of Economic Analysis and Policy (DEAP) plays a major

role in providing inputs to the policy formulation as well as in bringing out various analytical and research publications of the Reserve Bank for the public. Some of the important publications prepared in the Department and released during the year included the *Reserve Bank's Annual Report, 2002-03*, the *Report on Trend and Progress of Banking in India, 2002-03* and a *Study on Finances of State Governments. The Report on Currency and Finance, 2002-03* chose "Management of India's External Sector in an Open Economy" as its theme. A document entitled 'Macroeconomic and Monetary Developments in 2003-04' was released along with the Governor's Annual Policy Statement issued on May 18, 2004. The Department also disseminated information on key parameters of the Indian economy in the Reserve Bank's *Monthly Bulletin* and its *Weekly Statistical Supplement*. The *Reserve Bank of India Occasional Papers* continued to publish analytical studies in the areas concerning the Indian economy. The *Reserve Bank Staff Studies*, an in-house journal intended to provide an important outlet for the research efforts made by officers of the Reserve Bank, carried six studies during 2003-04. The Department also provided technical inputs to other Departments and participated in several Inter-Departmental Groups. The Department coordinated the work relating to Article IV consultations with the staff of the IMF. The Department also conducted the 8th L.K. Jha Memorial Lecture which was delivered by Prof. Martin Feldstein on January 12, 2004. The Department organised a series of seminars/lectures by foreign dignitaries and experts from India.

14.44 The Development Research Group (DRG), which was constituted in the Reserve Bank in November 1991, continued to serve as a forum for collaborative research between professional economists and officers of the Bank. The DRG has published 24 studies since its inception. The studies cover a wide range of subjects relating to monetary, fiscal, banking and external areas, besides real and social sector. During the year, a study on 'Interest Rate Modelling and Forecasting in India' was completed. The studies initiated during the year under the DRG included i) Bank Soundness and Macroeconomic Policy, ii) Supply Response in Indian Agriculture, iii) Targeting Efficiency in PDS: A Comparison of the Revamped and Targeted PDS, iv) Effect of Private Remittances on the Indian Economy and v) Regional Inequality in India: A Fresh Look. Constant efforts are being made to make the DRG mechanism more transparent and broad-based.

Department of Statistical Analysis and Computer Services

14.45 The Department of Statistical Analysis and Computer Services (DESACS) completed the 'Survey of Small Borrowal Accounts, March 2001', covering small borrowal accounts with a credit limit of Rs.2,00,000 or less. The salient features of the survey results were published in the May 2004 issue of the Reserve Bank's Bulletin. The Reserve Bank has been collecting detailed information on deposits and credit of scheduled commercial banks through Basic Statistical Returns 1 and 2 and publishing them in the form of BSR Volumes since 1972. These data were brought out in a CD-ROM entitled 'Banking Statistics: Basic Statistical Returns, 1 and 2, Volume 1 to 31', covering the period from 1972 to 2002. A publication entitled "*Basic Statistical Returns of Scheduled Commercial Banks in India*" Volume 32, March 2003, relating to the distributional aspects of deposits and gross bank credit of scheduled commercial banks was brought out during the year.

14.46 As a part of the implementation of the Bank for International Settlements (BIS) methodology of International Banking Statistics (IBS) in India, the quarterly data on international assets/liabilities of banks were compiled in the form of locational banking statistics (LBS) and consolidated banking statistics (CBS). The BIS incorporated CBS and LBS data of India for the first time in its publications for the quarter ended December 31, 2001. Data for subsequent quarters were also released by them. Accordingly, the Reserve Bank became the third central bank among developing countries to comply with the BIS requirement. Besides, the articles presenting the summary results of IBS of India for each of the quarters were published in the Reserve Bank Bulletin.

14.47 The "Directory of Commercial Bank Offices in India-Vol.2- September 2003" was brought out in December 2003 in CD-ROM and was posted on the Reserve Bank's website. The Directory contains information on various functional and locational details of 68,723 branches/offices of 295 commercial banks as on September 30, 2003.

14.48 Software for the timely compilation of balance of payments and international trade in services, was revised and implemented with effect from April 1, 2004. A comprehensive survey on software and IT exporting companies was taken up covering the period April 2002 to March 2003, based on the recommendations of the 'Technical Group on Re-examination of Data Reporting System on Software

Exports' set up in pursuance of the recommendations of the National Statistical Commission.

Banking Ombudsman Scheme

14.49 Fifteen offices of the Banking Ombudsmen administer the Banking Ombudsman Scheme, 2002. During the year 2003-04 8,246 complaints were received. The number of complaints dealt with pertained, *inter alia*, to deficiency in servicing of loans and advances, deposit accounts and delay in collection of cheques/bills. During the period 1999-2000 to 2003-04, 98 per cent of the complaints disposed off were by mutual settlement and awards were passed in respect of the remaining two per cent. As provided in the Scheme, the amount spent by the Ombudsmen is being recovered from the participating banks in proportion to the working funds of these banks as at the end of the preceding financial year.

CENTRAL BOARD AND ITS COMMITTEES

14.50 Six meetings of the Central Board were held during the year ended June 30, 2004 of which two meetings were held at traditional centres, *viz.*, Chennai and Mumbai and four were held at non-traditional centres, *viz.*, Chandigarh, Bangalore, Patna and Thiruvananthapuram. Forty-seven weekly meetings of the Committee of the Central Board were held during the year at Mumbai. During the year, the Committee of the Central Board attended to the current business of the Reserve Bank, including approval of its weekly accounts pertaining to the Issue and the Banking Departments. Discussions at the meetings of the Central Board broadly covered matters pertaining to general superintendence and direction of the Reserve Bank's affairs in which Directors, with their vast experience in diverse fields, actively contributed to important decisions. Some important policy matters discussed at these meetings related to currency management, information technology, human resource development, banking supervision, monetary and credit policy, accounting policy and internal debt management policy. The Central Board and its Committee also reviewed the functioning of Local Boards with a view to enabling them to perform their advisory role better.

14.51 One meeting of the Staff Sub-Committee, six meetings of the Inspection and Audit Sub-Committee (IASC) and three meetings of the Building Sub-Committee were held during the year. These Sub-Committees of the Central Board have been constituted to assist the Central Board in direction of the affairs of the Reserve Bank. During the year, the

Building Sub-Committee advised the Reserve Bank on various matters including construction of staff quarters, renovation of office space, rehabilitation of officers quarters, replacement of air conditioning plants and lifts in office buildings. It also reviewed the utilisation of the capital budget for the year 2003-04. The Staff Sub-Committee addressed proposals for sanction of additional posts in all categories of staff in various Departments and Regional Offices of the Reserve Bank during the year. It also considered matters concerning manpower planning in the Reserve Bank. The Inspection and Audit Sub-Committee examined 'Critical Areas' emanating from Management Audit and Systems Inspection of Central Office Departments/Regional Offices of the Reserve Bank. Besides, it went into various accounting issues like outstanding entries in sundry/suspense account, reconciliation of internal accounts, outstanding entries in transit accounts and advised the course of action to be adopted to cleanse the accounts before migration to new technologies.

Directors/Members of the Central Board/Local Boards

14.52 Dr. Bimal Jalan, Governor demitted office on September 6, 2003 consequent upon his nomination as a member of the Rajya Sabha.

14.53 Dr. Y. V. Reddy took over as Governor of the Reserve Bank on September 6, 2003 for a period of five years.

14.54 Shri Vepa Kamesam, Deputy Governor retired from the Reserve Bank's service from the close of business on December 23, 2003.

14.55 Smt. Devaki Jain was nominated as a member of the Local Board (Southern Area) with effect from February 12, 2004.

14.56 Prof. A. M. Khusro, former Director on the Central Board of the Bank (from February 28, 1970 to April 1, 1979) passed away on August 24, 2003.

14.57 Smt. Kiran Ghai ceased to be a Member of the Local Board (Eastern Area) consequent upon her election as Member of the State Legislative Council of Bihar on June 14, 2004.

Appointment/Retirement of Executives

14.58 Shri Y. S. P. Thorat, Executive Director retired from the Reserve Bank's service on March 17, 2004 consequent upon his appointment as the Managing Director of the National Bank for Agriculture and Rural Development.

14.59 Shri P.V. Subba Rao was appointed as Executive Director with effect from March 19, 2004.

Parliamentary Committees

14.60 Shri Arjun Singh, Chairman, Parliamentary Committee on Empowerment of Women visited the Reserve Bank on September 28, 2003 and had discussions with Shri A.V. Sardesai, Executive Director and other senior officials of the Rural Planning and Credit Department (RPCD). Senior officials of the RPCD from the Central Office and the Regional Offices at Bhubaneswar, Bangalore, Ahmedabad, Bhopal, Lucknow, and Patna appeared before the Standing Committee of Parliament on Finance, the Standing Committee of Parliament on Industry and the Estimate Committee of Parliament during the year on several occasions.

Foreign Dignitaries

14.61 Mr. Kenneth S. Rogoff, Director (Research) IMF, visited the Reserve Bank on July 18, 2003 and met Governor and Deputy Governors. He also addressed senior officials of the Reserve Bank and later held a press conference.

14.63 Mr. Malcolm Knight, General Manager, Bank for International Settlements, Basel visited the Reserve Bank on September 24, 2003 and met Governor and Deputy Governors.

14.63 Prof. Richard Portes of the London Business School and President of the Centre for Economic Policy Research (CEPR) visited the Reserve Bank on January 5, 2004. He also delivered a lecture on 'Monetary Policy of the European Central Bank'.

14.64 Prof. Ricardo Hausmann of Harvard University visited the Reserve Bank on January 7, 2004 and delivered a lecture on 'Good Credit Ratios but Bad Credit Ratings: The Role of Debt Denomination'.

14.65 Prof. Martin Feldstein, Professor of Economics, Harvard University and President, National Bureau of Economic Research, Cambridge, US visited the Reserve Bank from January 11 to 13, 2004. He delivered the 8th L.K. Jha Memorial Lecture on January 12, 2004.

14.66 Dr. (Ms.) Anne Krueger, First Deputy Managing Director, IMF visited the Reserve Bank on January 22, 2004. She had a meeting with Governor and Deputy Governors. She also held discussions with Executive Directors.

14.67 Mr. Vittorio Corbo, President of the Central Bank of Chile visited the Reserve Bank on January 27, 2004 and held a seminar.

14.68 Ms. Sheryl Kennedy, Deputy Governor for Financial Markets, Bank of Canada, visited the Reserve Bank on June 18, 2004 and met Deputy Governor and Executive Director.

Auditors

14.69 The accounts of the Reserve Bank were audited by M/s. J. L. Sengupta & Co., Kolkata; M/s. S. N. Nanda & Co., New Delhi; M/s. Khimji Kunverji & Co., Mumbai; M/s. P. B. Vijayaraghavan & Co., Chennai; M/s. Ford Rhodes Parks & Co, Mumbai; and M/s. Rajendra K. Goel & Co., New Delhi. While the first four audit firms were reappointed, the latter two were appointed for the first time by the Central Government.